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From:

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To:

Cc:

Subject: RE: CT-2 employees

Sorry it took a while to get back to you on this.

You asked about how income tax withholding should be reported in the following situation: a worker is a railway union rep, his employer is not an employer under 3231(a), thus the worker pays Tier I and II RRTA taxes using a Form CT-2.

If the union is the worker's employer under §3401, then the union must withhold income taxes per §3402.

If the union is the employer for income tax withholding purposes, then it would follow that it must file W-2 for the worker and quarterly 941s for the taxes paid. On the W-2 and 941, the union would report 0 FICA wages paid, since they wages are covered under RRTA.

Let me know if you have any questions.